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PREPARED BY: Sandy Sostad  
DATE PREPARED: February 02, 2011  
PHONE: 471-0054

**LB 204**

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS	See Below		See Below	
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 204 requires blood lead testing of students prior to enrollment in public, private, denominational or parochial schools in the state. The Department of Health and Human Services (HHS) is to develop rules and regulations relating to blood lead testing. School districts are to inform families prior to the date of school registration of the blood lead testing requirements. HHS is to notify parents or guardians of the availability of special education services and of contact information for Nebraska ChildFind if a child's blood-lead level is in excess of a certain amount.

The bill will minimally increase the workload of HHS to develop rules and regulations. The department indicates the development of the rules can be accomplished with existing staff and resources. The department will also incur a workload increase to provide notification to parents of the availability of special education services and other resources. HHS has access to a registry showing this information, so it is assumed the department can handle notifications with existing staff. School districts are already required to inform families about required immunizations prior to school enrollment, so the required notification regarding blood lead testing should not have a fiscal impact for schools.

The bill provides for the cost of blood lead testing is to be borne by families except in the case of children whose parents or guardians are financially unable to meet such cost. The bill does not define when a parent is financially unable to meet the cost. It is assumed that tests for children who are on Medicaid or enrolled in CHIP will be paid for by HHS pursuant to the bill. HHS also assumes children who are eligible for the Vaccines for Children, a federally funded and state-operated vaccine supply program, will also qualify to have the cost of blood tests paid by HHS.

Statistics from HHS show a total of 147,000 children were Medicaid eligible or in the CHIP program in 2010 which is approximately 44% of total student membership. There are about 25,000 children entering kindergarten on an annual basis. HHS indicates the department currently pays for blood testing to determine lead levels for about 2,740 children. The cost of a lab test is \$17.65.

It is assumed that blood lead tests for 8,300 children will be covered by HHS pursuant to the bill based upon: 25,000 kids in kindergarten each year x 44%, minus the number of tests currently being paid for by HHS. This is the estimated number of children on Medicaid or in CHIP that will be tested annually pursuant to the bill. The estimated fiscal impact for lab tests is \$146,495 (\$51,273 General, \$95,224 Federal) to test 8,300 children in FY 2011-12 and FY 2012-13.

As noted above, HHS indicates there may be some non-Medicaid eligible children who could be eligible to have their costs paid, if children in the Vaccines for Children program are included. This would add about 4,400 children at a general fund cost of \$77,660.

The fiscal impact is based upon assuming that medical personnel will not sign statements allowing children to opt out of testing. HHS assumes that medical personnel will not sign a statement verifying that children are at low risk due to the stringent requirements in the bill to verify such status.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Matthew Eash	2/4/11	PHONE 471-2526
COMMENTS			
DEPT. OF EDUCATION - Concur. No fiscal impact to NDE or school districts.			

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LEGISLATIVE FISCAL

LB 204 FISCAL NOTE

State Agency OR Political Subdivision Name: Nebraska Department of Education

Prepared by: Julane Hill Date Prepared: 2/2/2011 Phone: 471-4352

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

Table with columns for FY 2011-12 and FY 2012-13, each subdivided into EXPENDITURES and REVENUE. Rows include GENERAL FUNDS, CASH FUNDS, FEDERAL FUNDS, OTHER FUNDS, and TOTAL FUNDS.

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

- NDE: No cost to Nebraska Department of Education.
NHHS: Possible cost to Nebraska Health and Human Services to promulgate the rules for blood level screenings.
School Districts: Possible cost to the school districts to revise screening guidelines and notify parents.
Parents: Parents will have to bear the cost of the blood lead level tests.

MAJOR OBJECTS OF EXPENDITURES

Personal Services:

Table with columns for POSITION TITLE, NUMBER OF POSITIONS (11-12, 12-13), and EXPENDITURES (2011-12, 2012-13). Rows include Benefit, Operating, Travel, Capital outlay, Aid, Capital improvements, and TOTAL.

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Willard Bouwens

Date Prepared:(4) February 7, 2011

Phone: (5) 471-8072

	FY 2011-2012		FY 2012-2013	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$247,650		\$247,650	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$247,650	\$0	\$247,650	\$0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB204 would make Blood Lead level testing after the age of 18 months and before the age of 4 years mandatory for entry in to kindergarten in Nebraska. Existing standard practice is to test Blood Lead levels at 12 and 24 months and generally only in cases where there has been a high risk factor. LB204 would require an expansion of current standard practice.

On average, less than 12 percent of Medicaid clients between the ages of 12 and 24 months are tested for blood lead level each year. This legislation would require DHHS funding for the testing of non-Medicaid eligibles "whose parent or guardian is financially unable to meet such cost," (Sec. 1 (3)). The fiscal impact of increasing the number of blood lead tests to ensure the compliance with school enrollment requirements would be a range, the upper bounds of which are not predictable due to a lack of data regarding non-Medicaid children requiring entry into school that LB204 appears to make DHHS responsible to pay for.

The language regarding non-Medicaid eligible persons DHHS will be required to pay for is non-specific as it does not define "financially unable to meet such cost." Because DHHS would be required to pay for additional non-Medicaid children, the increase in expenditures would be paid for in unmatched State General Fund as CMS will not allow FMAP for non-Medicaid clients. The creation in Section 7 of a responsibility for DHHS to notify parents or guardians of those children testing at or above 10 micrograms of lead per deciliter of blood and provide referral to the Early Development Network would impact the funding needs of DHHS as additional Environmental Health staff would be required to handle increased volume of lab test reporting and referral to EDN. The EDN referrals would increase the volume of children also creating a need for additional staff for the Division of Medicaid and Long-Term Care.

Because LB204 does not specify if DHHS is required to pay for an office visit related to the lab test for non-eligibles this would increase any cost estimate by the practitioner visit cost. At a minimum, the estimated fiscal impact to DHHS would be approximately \$170,000 GF to test the Medicaid eligible clients who have not been tested due to risk. An additional estimated 4,400 non-medicaid eligible children would require DHHS to pay for the cost of a blood lead test at a cost of \$77,650. This estimate includes only the cost of the lab test which in the current fiscal year is \$17.65. It is unknown which program would pay for the tests as Medicaid will not pay for tests that are not medically necessary nor for non-eligible individuals.

Opting out of the testing would not be feasible within the constraints of the requirements as a medical professional would be required to sign off on a statement verifying stringent requirements. The criteria are considerably more strict than the ones for the immunization requirements.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2011-2012 EXPENDITURES	2012-2013 EXPENDITURES
	11-12	12-13		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$247,650	\$247,650
Capital Improvements.....				
<b>TOTAL.....</b>			<b>\$247,650</b>	<b>\$247,650</b>